

24 January 2022

**7IM Absolute Return Portfolio B4QPB03 (A ACC), BF7MD93 (B ACC) (formerly the VT Tcam Absolute Return Portfolio), 7IM Income Portfolio B9L4H24 (A INC), 3387904 (A2 INC) (formerly the VT Tcam Income Portfolio): sub funds of the 7IM Funds ICVC (formerly the VT Tcam Investment Funds ICVC) - Update on the “Terminating Funds” or “Terminating Fund”.**

**We advise you to read the content of this letter carefully although no action is required from you.**

We previously wrote to you on 17<sup>th</sup> of March 2021 and 3<sup>rd</sup> of June 2021 to advise you of the Suspension and then the Partial Merger of the Terminating Funds. We then wrote to you on the 7<sup>th</sup> of December 2021 advising you of the first distribution from the Terminating Funds. These communications can be found at <https://www.7im.co.uk/our-funds/fund-communications>

We are pleased to announce the second distribution from the Terminating Funds, for which the administrator (Northern Trust) will be issuing contract notes on the 20<sup>th</sup> of January 2022, with payment to be credited to you on the 25<sup>th</sup> of January 2022. This distribution represents approximately 15.8% and 22.8% of the current market value your remaining holding in the 7IM Absolute Return Portfolio and 7IM Income Portfolio respectively.

**Please note this distribution represents a partial redemption of the Terminating Funds and the remaining units will be redeemed over time with contract notes issued for each distribution.**

As previously communicated, there were two holdings left in the Terminating Funds, with one having had liquidity restored in recent weeks. This liquid holding has now been sold in totality, leaving one remaining holding in the Terminating Funds. This remaining holding will make distributions to the Terminating Funds through time, the first one of these has been received and forms part of the second distribution to you.

It remains our intention to return proceeds as soon and as frequently as it is practicable to do so. We will, of course, keep you informed on progress as we continue our efforts to dispose of the remaining holding within the Terminating Funds.

Finally, you will notice an increase in the value of your holding over the coming days as we adjust the value of the fund to reflect the Proxy Return described below. Please note that this is a pricing adjustment to better reflect the value of your holding, and that the corrective action will take place when the funds terminate. Please see an extract from the letter issued on the 15<sup>th</sup> of October below (should you wish to receive a copy of the original communication please let us know):

*The independent third party which carried out the review concluded that the Asset was not eligible for inclusion within the Funds. Seven Investment Management LLP (“7IM”) has determined that this raises the potential for shareholders to suffer a financial loss when the Asset is liquidated in full and the Funds terminate. We do not currently know when the Funds will terminate.*

*7IM is taking steps to ensure that there is no financial loss suffered by shareholders resulting from exposure to the Asset.*

*These steps will occur when the Funds terminate and will be calculated by comparing the return that the Asset actually achieved versus the return that may have been achieved (the “**Proxy Return**”) if the monies had been invested in an asset which matched the Funds investment strategy. This calculation is applied from the point where it has been determined that investors may have suffered a financial loss resulting from exposure to the Asset. This Proxy Return has been calculated through use of the relevant Investment Association (IA) Sector Average Peer Group Performance. These steps include 7IM making a cash payment to the Funds for onward distribution to shareholders. This will take place at the same time as the Asset is fully liquidated.*

*For example, if the Asset returned £16 and the Proxy Return was £20 then 7IM would inject the additional £4 (£20 - £16) into the 7IM Fund and the £4 would be distributed to shareholders with the Asset return of £16.*

*This remediation process has been carried out in consultation with the Fund’s Depositary, additional quality control checks have been performed by a third party independent of 7IM, and 7IM has kept the Financial Conduct Authority (“**FCA**”) informed of the proposed remediation process and steps being taken.*

If you have any queries about the contents of this letter, please contact us on [fund.suspension@7im.co.uk](mailto:fund.suspension@7im.co.uk). You should contact your professional adviser if you have any questions regarding the potential impact of receiving these proceeds.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Liz Paradine', written in a cursive style.

Liz Paradine

Signed for and on behalf of Seven Investment Management LLP as ACD of the Terminating Funds